



**2025 Levy Budget**  
Council-in-Budget Committee  
January 29, 2025





# Presentation Agenda

- 1) Background & 2024 Review
- 2) 2025 Budget: Base & Assessment
- 3) 2025 Budget: Supplementary
- 4) Household Impacts
- 5) Looking Ahead
- 6) Conclusion
- 7) Presentation Questions





# 1) Background & 2024 Review

## Budget inputs

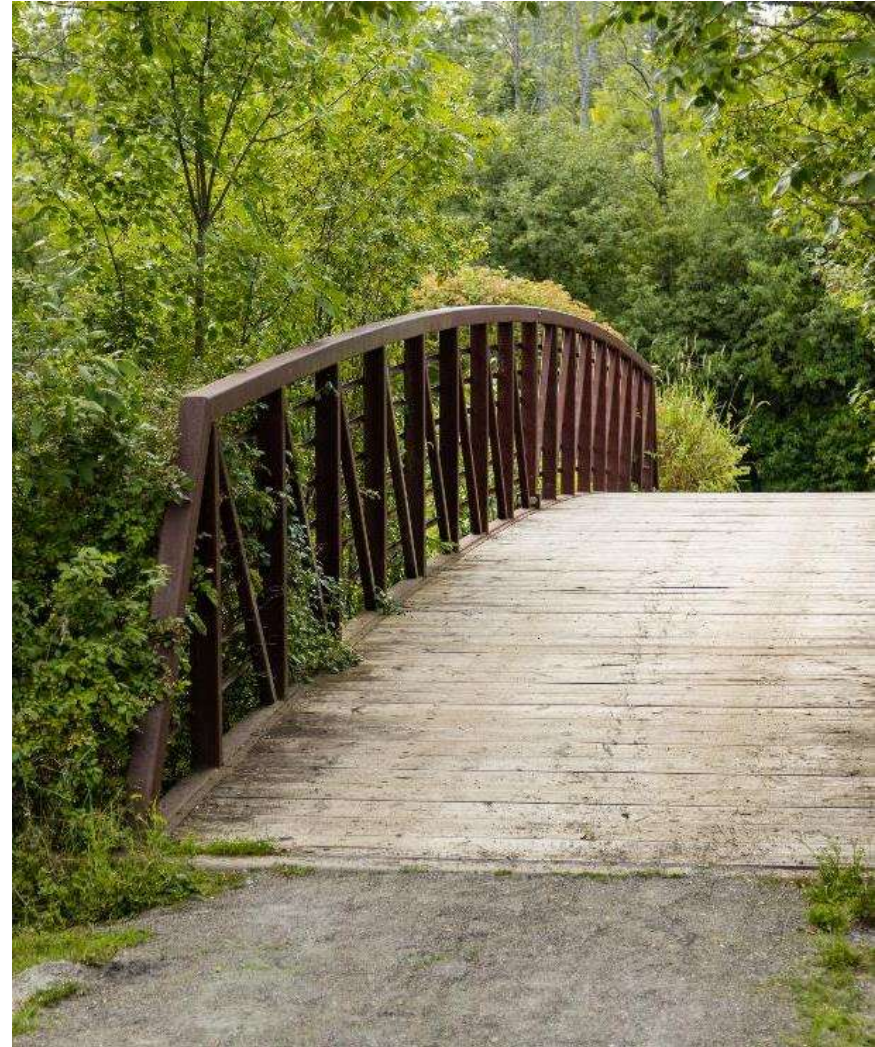
**Strategic Plan**: Council priorities, goals & initiatives provide focus & direction with the following pillars:

- 1) Sustainable, reliable access to local health care
- 2) Quality of Life and Community Well-being
- 3) Sustainable and Managed Growth
- 4) Economic Prosperity and Diversification
- 5) Environmental and Climate Change Resiliency
- 6) Comprehensive Housing Options

# 1) Background & 2024 Review

## Budget inputs

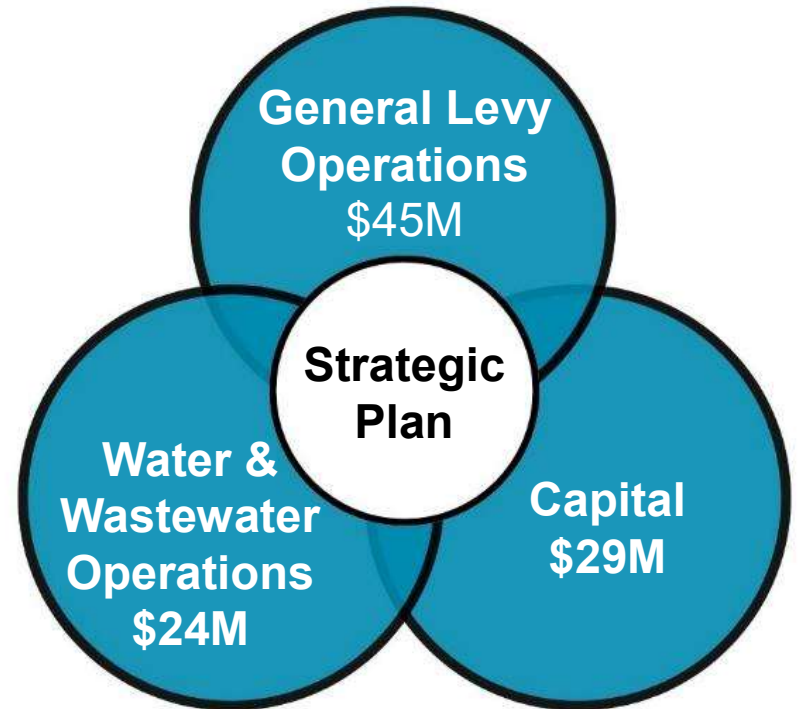
1. **Strategic Plan:** Council priorities, goals & initiatives to provide focus and direction.
2. **Budget Planning:** Report [CS-07-2024](#) discussed timetable and pressures. Year-round budget cycle process to a) Plan, b) Approve, c) Execute and d) Evaluate.
3. **Long-term financial planning:** manage sustainability (e.g., strategic policies, practices), affordability, leverage technology.
4. **Corporate Sub-committee:** discussions to find efficiencies, consider alternate funding, and target/limit tax increase.



# 1) Background & 2024 Review

## Funding Structure Overview

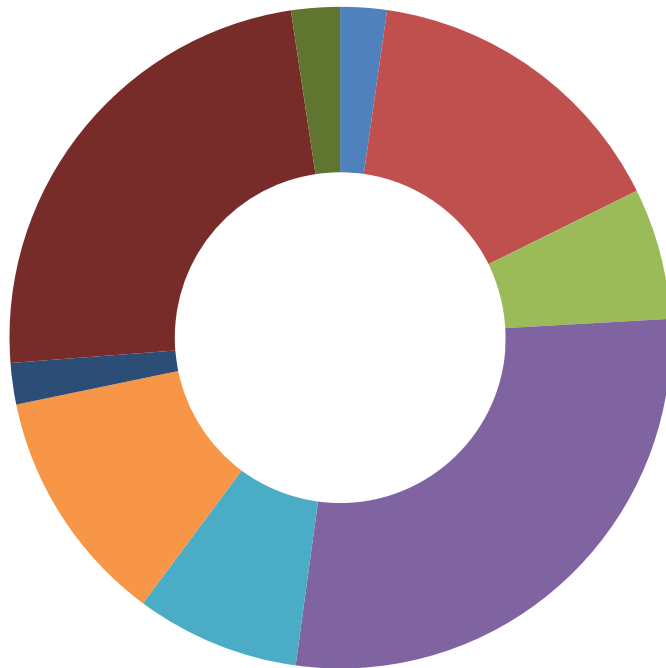
**\$98 million**  
approved 2024 budgets



To view 2024 Budget info for each budget, visit:  
[www.forterie.ca](http://www.forterie.ca) – Town Hall / [Budget & Finances](#)

# 1) Background & 2024 Review

## Gross Expenses of \$45.0M by Function (Dept)



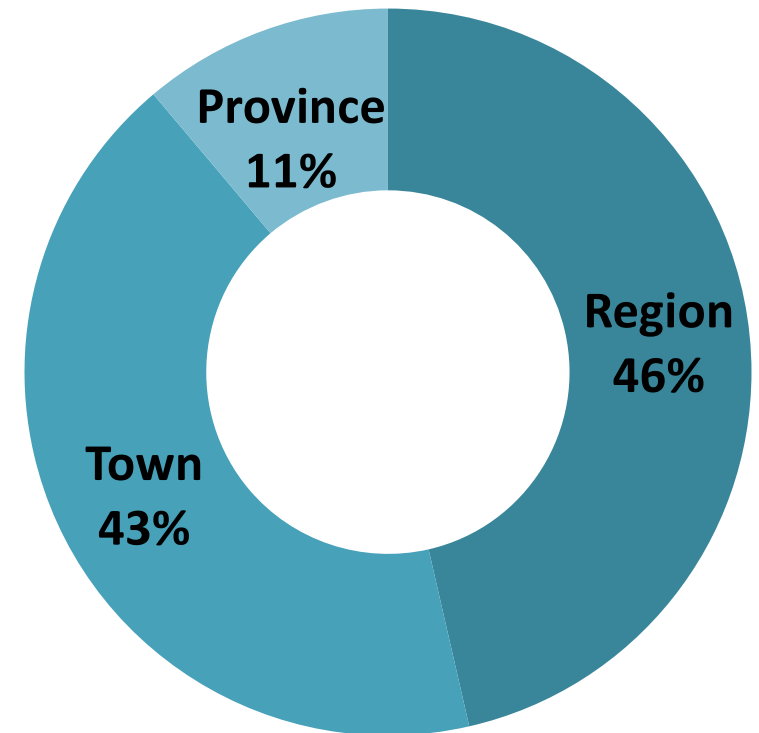
- 2% General Government
- 15% Fire & Protection
- 6% Corporate Administration
- 28% Roads & Transit
- 8% Storm & Drainage
- 12% Planning & Development
- 2% Health, Wellness & Seniors
- 24% Recreation & Culture
- 2% Non-program Revenues

# 1) Background & 2024 Review

## Taxes Billed

### 2024 Total of \$81.0M:

- **Fort Erie:** \$34.4M for “lower tier”  
E.g., roads, parks, arenas, drains, building, planning, fire, museums, health & wellness.
- **Niagara Region:** \$37.6M for “upper tier”  
E.g., police, arterial roads, transit, housing, public health, waste management.
- **Province:** \$9.0M for “education”  
Funds the Ontario elementary & secondary education system (i.e., school boards).





# 1) Background & 2024 Review

## Tax Calculation & Comparison

### Tax Calculation

- Tax Rate = General Levy / Total Assessment (MPAC)
- Property Owners Pay = Tax Rate x Own property assessment

### Tax Comparison

- Ontario study compares 126 municipalities annually
- Relative tax burden compared for “like” detached bungalow in Niagara for 2024 (2023 FIR):
  - Fort Erie total taxes: \$3,865. Below Niagara average of \$4,381 by 12%.
- Fort Erie below average for all other studied classifications (e.g., 2-Storey, Multi-res, Hotel/Motel, Commercial & Large Industrial)

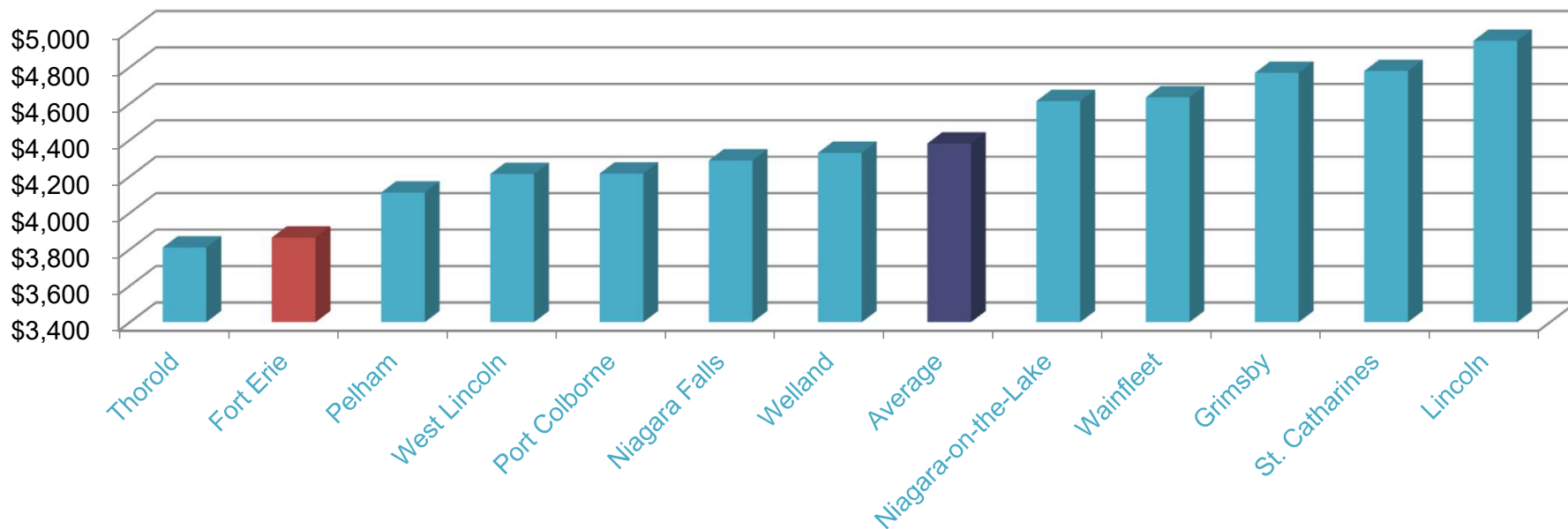




# 1) Background & 2024 Review

## Comparison – Residential Tax

### 2023 FIR

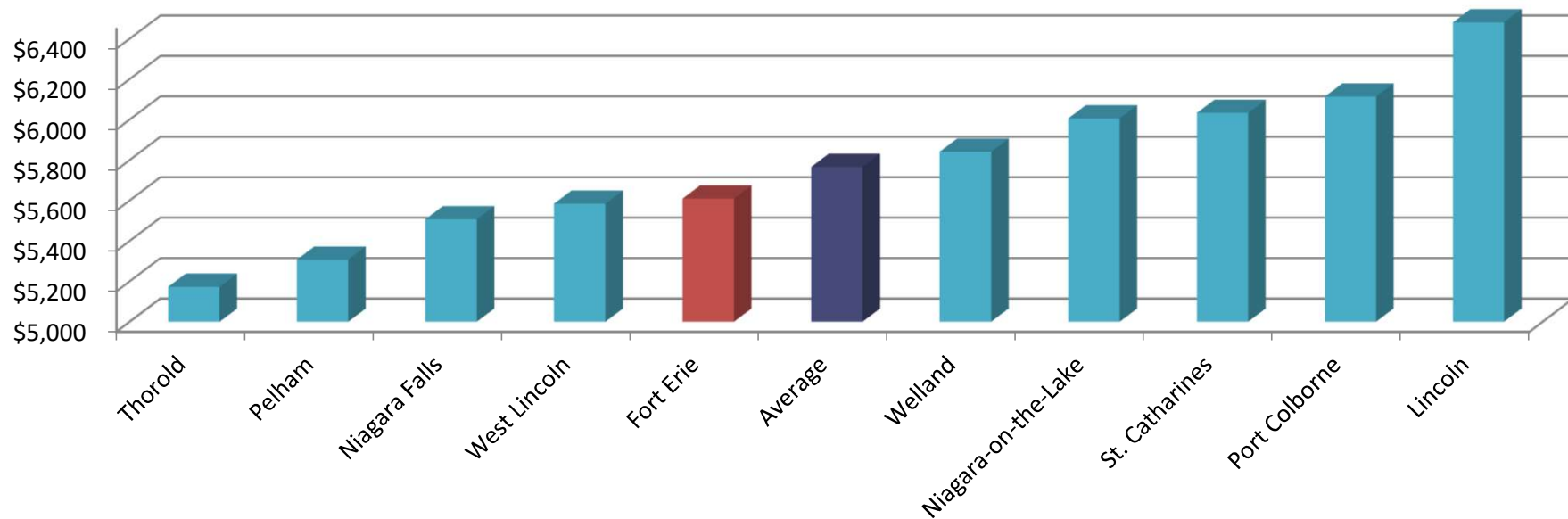


Source: BMA Municipal Study 2024, page 304

# 1) Background & 2024 Review

## Comparison – Municipal Burden (Tax + Rate)

2023 FIR



Source: BMA Municipal Study 2024

# 1) Background & 2024 Review

## Financial Performance

- Analyzing final 2024 payments and adjustments.
- **Variiances:** Projected Levy surplus (e.g., investment income, staff turnover/vacancies). Q3 results presented with [CS-11-2024](#).
- **Audit:** late spring with financial statements adopted in summer.
- **Annual Report:** presented in summer to provide Management Discussion & Analysis (MD&A) and recommend fund allocations by [CS-05-2024](#).
- **Balances projected for Jan 1/25:**
  - \$7.6M Levy debt (\$9.3M including Utility)
  - \$15.5M Levy Reserves - Operating (\$0.9M/yr contribution)
  - \$16.5M Levy Reserves - Capital (\$10.3M/yr contribution)



# 1) Background & 2024 Review

## Provincial Financial Indicators

Sustainability Indicators	FE actual	Average
1) Total Taxes Receivable	8.3%	7.1%
2) Net Financial Assets as % of Own Purpose Tax	112.6%	79.6%
3) Reserves as % of Operating Expenses	90.6%	74.4%
4) Cash Ratio	266.8%	185.4%

Flexibility Indicators	FE actual	Average
5) Debt Servicing Cost as % of Operating Revenue	1.4%	2.8%
6) Closing Amortization as % of Capital Asset Cost	42.5%	38.0%
7) Annual Surplus as % of Own Source Revenue	22.3%	20.1%

## 2) 2025 Budget: Base & Assessment Overview

**Base Budget:** previously approved operating components that support daily ongoing activities.

**Drivers:**

- Cost of service delivery
- Asset maintenance
- Administrative costs
- Offset by other non-tax revenues

**Overall Base Budget change: 5.07%** result of 7.16% increase over 2024 less 2.09% assessment growth. CS-07-2024 est. 4.95%.



## 2) 2025 Budget: Base & Assessment

### Overview - Reporting

- Refer to Report [CBC-06-2025](#) Appendix 1 for highlights and Appendix 3 for consolidated summary.
- Budget package Section 7 for departmental reports. Reflects results from departmental reviews/meetings to mitigate impact.
  - Columns: 2024 YTD actuals & approved budget, 2025 proposed budget, 2026 and 2027 forecasts.
  - Revenue categories: Tax/BIA levy, PIL, donations, fines, gaming, grants, interest & penalties, sale of land, user fees and other.
  - Expense categories: Wages/benefits, materials & services, debt interest, grants and partnership programs.
  - Financing & Transfers: internal allocations, debt principal, reserves.



## 2) 2025 Budget: Base & Assessment

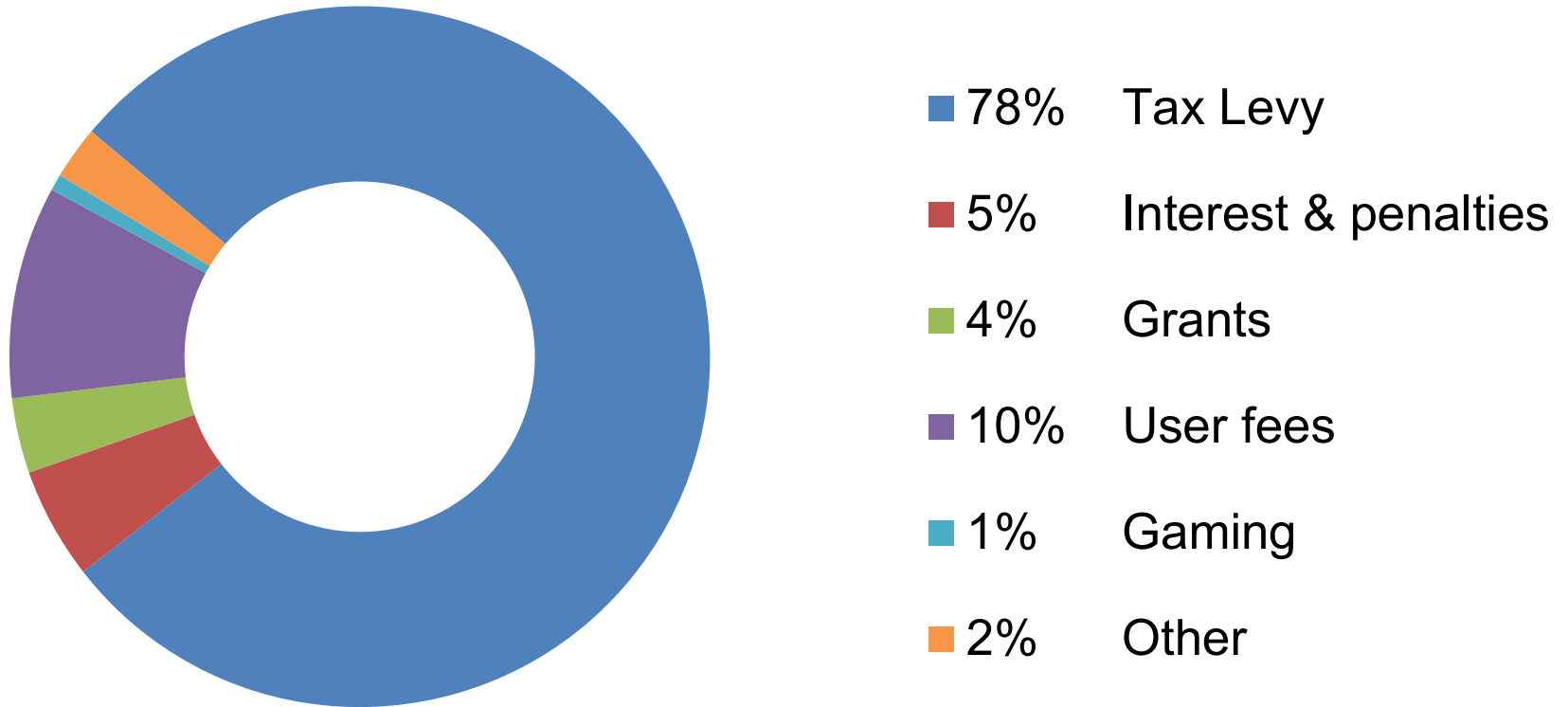
### Revenues

**Pressures/offsets are a net decrease of \$143,273 (App 1)**

- (\$30,000) Business and Short-Term Rental licensing
- (\$256,500) Building & planning fees
- (\$228,070) Other fees (e.g., cemetery, beach, facility rentals)
- (\$28,000) Gaming licences
- \$215,000 Net tax adjustments (supplemental less write-offs)
- (\$300,000) Penalties and interest on arrears
- \$607,300 Bank and investment income
- (\$123,003) All other non-tax revenue

## 2) 2025 Budget: Base & Assessment

### Revenues - by Source



## 2) 2025 Budget: Base & Assessment

### Expenses

**Pressures/offsets are a net increase of \$2,462,264 (App 1)**

- **\$996,785** Wages & benefits
- **\$519,030** Wages & benefits - other (2024 Budget phase-ins, position additions, rate adjustments)
- **\$736,183** Capital (inflation, amortization, other) - analysis & graphs in [CBC-01-2025](#) and [Capital presentation](#).
- **\$124,100** Winter operations
- **(\$85,500)** Streetlighting
- **\$110,995** Utilities - hydro, gas, water
- **\$135,550** IT maintenance agreements, software, security



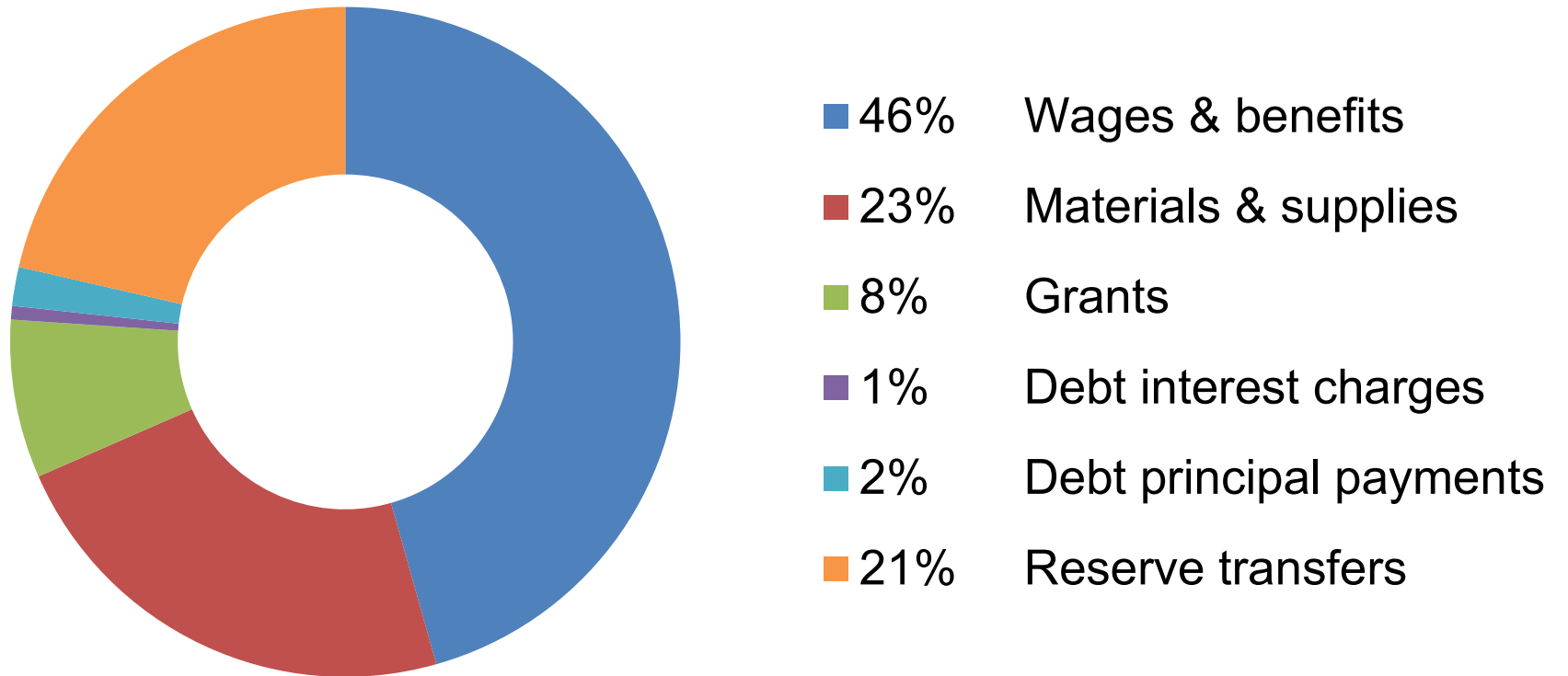
## 2) 2025 Budget: Base & Assessment Expenses (cont'd)

- \$95,199 Insurance
- (\$1,426) Debt costs – see Capital Budget detail
- \$55,081 Library - Report [CBC-04-2025](#)
- (\$11,244) Tax Increment Grant updates
- (\$82,426) Grants and partnerships
- \$13,210 All other expenses (e.g., contracts, studies)  
net of reserve funding where applicable

Note: Departmental budgets with additional comparative prior budget/actuals and forecast information reported in Section 7 of online package.

## 2) 2025 Budget: Base & Assessment

### Expenses by Type



## 2) 2025 Budget: Base & Assessment

### MPAC Assessment

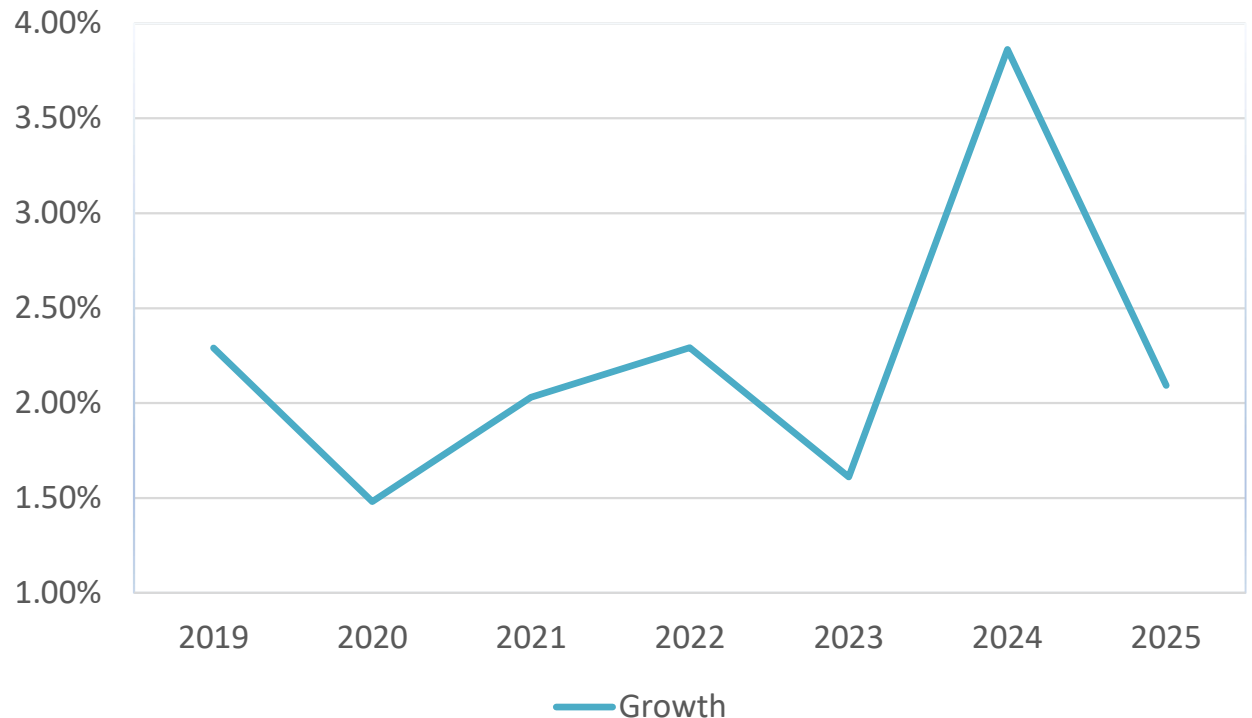
#### Municipal Property Assessment Corp (MPAC)

- Assessment growth - affects every year:
  - New development reduces tax impact on existing taxpayers.
  - Total 2025 growth for the Town is 2.09%.
- Re-assessment shifts - 2017 was 1st year of MPAC 4-yr cycle:
  - No 2025 change: Similar to prior 4 years as province delayed re-assessment.
  - No phase-in effects for 2025 (2024-21: N/a; 2020: 2.24%).
  - Next re-assessment unknown, possibly for 2026 Budget.

Further information contained in Council Report [CBC-05-2025](#).

## 2) 2025 Budget: Base & Assessment Assessment Growth History

- Incremental revenue from new construction
- 2025 revenue growth of \$719,135 or 2.10%
- 5-yr avg of 2.38%
- Amounts by property class in [CBC-05-2025 Table 3](#)



## 2) 2025 Budget: Base & Assessment

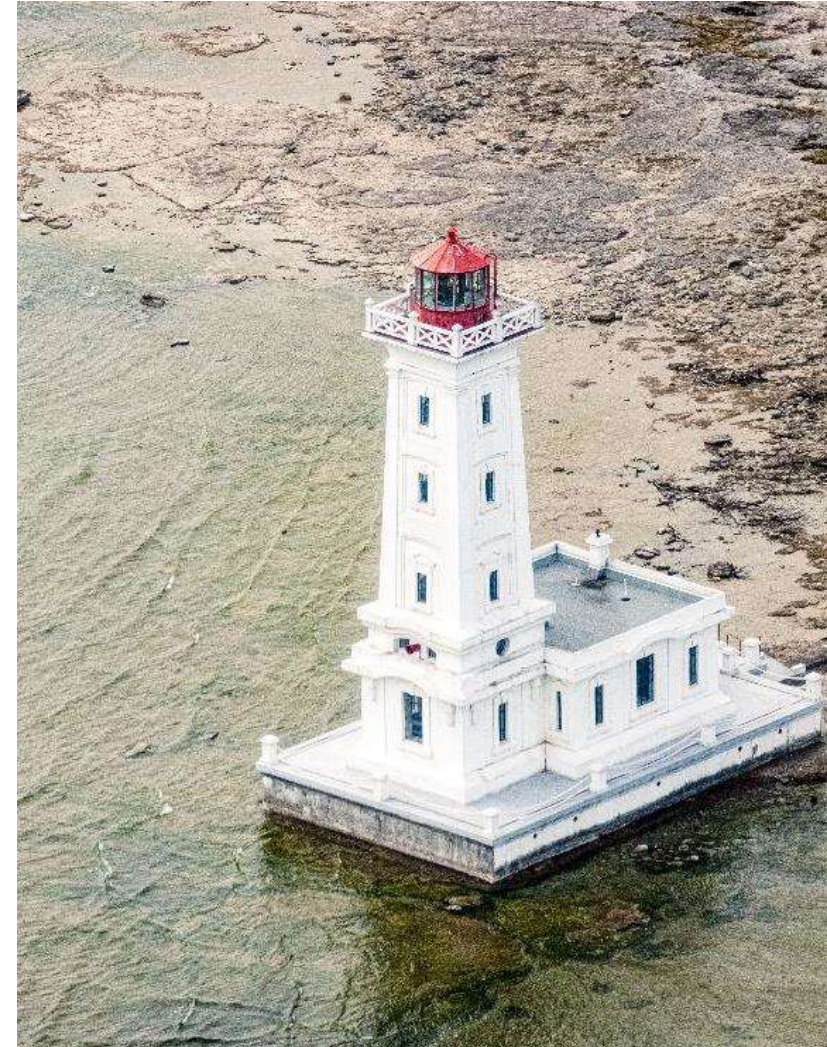
### Base Summary

Appendix 1	\$ Levy Impact [column 1]	% Levy Impact [column 2]
Revenue decrease/(increase)	(\$143,273)	(0.41%)
Expense increase/(decrease)	\$2,605,537	7.59%
<b>Total Base Budget Increase</b>	<b>\$2,462,264</b>	<b>7.16%</b>
Assessment Growth		(2.09%)
<b>Total Base Budget Increase/(Decrease) - net of Assessment Growth</b>		<b>5.07%</b>



### 3) 2025 Budget: Supplementary Overview

- Program changes beyond current service level for strategic or emerging priorities.
- Detailed on “Supplementary Budget Request” forms (S.8)
- **8 Decision Units** in Appendix 2 for consideration.
- a) requests subject of a previous report/resolution:
  - PART 1: Base (ongoing in future budgets) - **n/a**
  - PART 2: One-time (Reserve funded) - **1 request**
- b) new requests:
  - PART 3: Base (ongoing in future budgets) - **3 requests**
  - PART 4: One-time (Reserve funded) - **4 requests**
- Note that 2024 Budget used \$2.0M in Reserves, of which \$785K used to mitigate Supplementary.



# 3) 2025 Budget: Supplementary

## PART 1

\$N/a Base costs (continue indefinitely)

1.1 \$N/a





### 3) 2025 Budget: Supplementary PART 2

**\$100,000** One-time costs (ALL Reserve funded)

**2.1**    **\$100,000**    Sherkston Rd - permanent closure  
between Point Abino Rd N and Michener Rd



### 3) 2025 Budget: Supplementary

#### PART 3

**\$127,685** Base costs (continue indefinitely)

- 3.1    **\$92,805**      Staffing: Supervisor of Construction Projects, Growth (IS)  
      **(\$53,725)**      Above – Capital funding
- 3.2    **\$88,605**      Staffing: Parks Technician, Arboriculture (IS)
- 3.3    **\$54,145**      Staffing: Permit Application Technician (PBBS)  
      **(\$54,145)**      Above – Building Permit Surplus Reserve funding

### 3) 2025 Budget: Supplementary

#### PART 4

**\$514,476** One-time costs (Reserve funded)

- 4.1    **\$125,000**    Facility Condition Study update (Facilities Reserve)
- 4.2    **\$89,476**     Town Hall landscaping improvements (Parkland Reserve)
- 4.3    **\$150,000**    Comprehensive Zoning By-law review (GLRS Reserve)
- 4.4    **\$150,000**    Community Planning and Permitting System (CPPS) -  
consultant (GLRS Reserve)

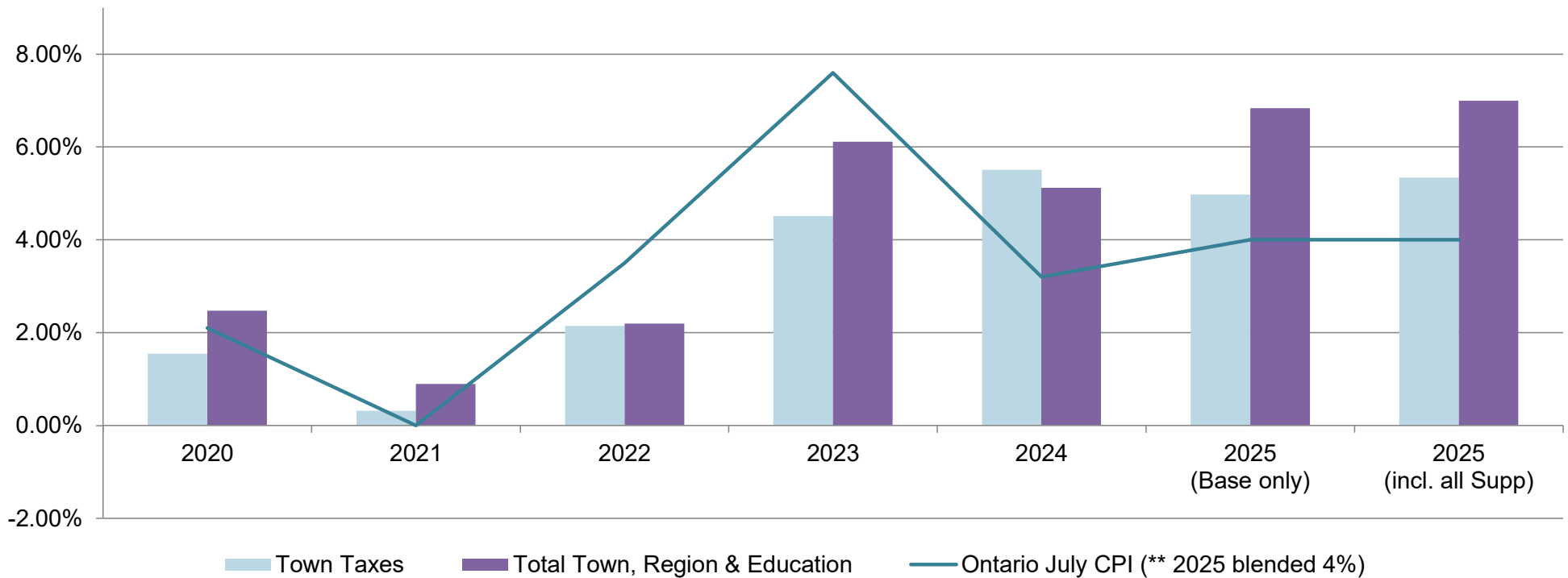


# 3) 2025 Budget: Supplementary Summary

Appendix 2		\$ Levy net Impact	% Levy Impact
a) Previous:	PART 1 Base	\$Nil	0.00%
	PART 2 One-time (\$100K funded)	\$Nil	0.00%
b) New:	PART 3 Base	\$127,685	0.37%
	PART 4 One-time (\$514K funded)	\$Nil	0.00%
<b>Total Supplementary</b>		<b>\$127,685</b>	<b>0.37%</b>
<b>Total Base + Supp (if all approved)</b>			<b>5.44%</b>

# 4) Household Impacts

## Levy History



## 4) Household Impacts

### 2025 Total Levy

	Median 2024 Bill	Median 2025 Bill	% Change	Alternate 2024 Bill	Alternate 2025 Bill
<i>Assessed value</i>	200,300	200,300	<i>Nc%</i>	100,000	100,000
Town [column 3]	\$1,481	\$1,560	5.33%	\$740	\$779
Region	\$1,620	\$1,780	9.84%	\$810	\$889
Education	\$306	\$306	0.00%	\$153	\$153
<b>TOTAL [App 2, column 4]</b>	<b>\$3,408</b>	<b>\$3,647</b>	<b>7.00%</b>	<b>\$1,702</b>	<b>\$1,821</b>

Note: Regional impact based on proposed budget, excluding any tax policy changes.

## 4) Household Impacts

### 2025 Town Levy

Annual Change	\$100,000 Assessment	\$200,300 Assessment	% Change
2024 Household	\$740	\$1,481	
2025 Base (incl 2.07% capital increases)	\$37	\$74	4.97%
2025 Supplementary	\$2	\$5	0.36%
<b>Change</b>	<b>\$39</b>	<b>\$79</b>	<b>5.33%</b>
2025 TOTAL	\$779	\$1,560	

## 5) Looking Ahead Risks

- **Inflation & Economy:** Volatility impacts increase/decrease estimates. Interest rates for investments/debt, utilities, fuel.
- **Labour costs:** Impacts with outstanding collective agreement.
- **Asset Management:** 2025 Financial Strategy to consider long-term impact (repairs & maintenance) and funding needs.
- **Weather & environment:** Climate change and other issues or threats with related restoration and strengthening costs.
- **Federal & Provincial:** Policy/budget changes & funding (e.g., OMPF) from other levels of government.
- **Assessment:** >8 years since [MPAC](#) reassessment (January 1, 2016 valuation date). Shifts between properties and tax classes, appeals, tax increment based grant programs.
- **Region taxes:** Outstanding tax rates & policy (i.e., tax class ratios).





## 5) Looking Ahead Opportunities

- **Technology:** Modernization studies & resulting roadmap to address security, systems and services.
- **Funding advocacy:** Grants Oversight Team monitors programs (e.g., Fed/Prov infrastructure stimulus) that may be introduced.
- **Fees & charges:** Annual review to balance burden of fees vs. tax levy. Some areas with low recovery of cost.
- **Shared services:** Review similar/joint services with other levels of government.
- **Assessment base:** Managed growth to promote healthy mix of residential, industrial & commercial taxes.



## 5) Looking Ahead Forecasts

- **Forecasts:** Base increases of **8.5%** in 2026, **3.6%** in 2027.
- **Debt:** Capital impacts from \$7.1M in pre-2023 debt. New Six Mile Creek Flooding project adds estimated \$3.5M. Next maturing debt is \$200,000/yr at the end of 2026.
- **Operating Impacts of Capital:** 2025 includes \$26,898.
- **Supplementary phase-ins:** Adds 2026 costs of \$46,528 related to full-year impacts of staffing costs.
- **Market:** Pressures in various areas, such as insurance, professional services & utilities.



# 5) Looking Ahead

## Budget Timelines

	Capital	Fees	Rate	Levy
Submissions to Corporate Services	Oct 4	Nov 1	Nov 1	Dec 6
Budget Committee package	Nov 21	Nov 27	Nov 27	Jan 23
Budget Committee meeting	Nov 25	Dec 4	Dec 4	<b>Jan 29</b>
Council approval, followed by website updates and communications	Dec 16 & Feb 24	Dec 16	Dec 16	Feb 24
Region: Policy, ratios, rate By-laws (CSC Feb 5)				April
Town consolidated Tax Rate By-law				May
Town 2025 final tax bills mailed				June

## 6) Conclusion

### Key Messages

- **Base Budget:** Total increase of 4.97% to continue existing services and benefits from assessment growth of 2.09%. Includes 2.07% increase in capital funding.
- **Supplementary Budget:** Total increase of 0.36% to address operational, staffing and strategic enhancements.
- **Tax Bill changes:** An increase to the tax bill of the median household of **5.33%** or **\$6.59/month** for Town services and **7.00%** or **\$19.87** per month for all amounts which includes Region of Niagara and Provincial education.



## 6) Conclusion

Recommendations itemized in [CBC-06-2025](#)

### PART

- 1 to 4 2025 Supplementary items recommended separately
- 5 2025 Grants
- 6 2025 BIA Levies
- 7 2025 Capital Budget: 2 new projects with worksheets in Section 4
- 8 2025 Levy including Supplementary items & revised Capital
- 9 Budget excludes amortization (O. Reg 284/09)

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## 7) Presentation Questions

Summary of proposed changes at the bottom of Appendix 2:  
column

- (1) **\$36,959,660** Town Budget \$ amount
- (2) **5.44%** Town Budget % increase
- (3) **5.33%** Town Tax bill % increase, median household
- (4) **7.00%** TOTAL Tax bill % increase, median household
- (5) **\$19.87** TOTAL Tax bill \$ increase per month, median household

Further information contained in MEMO to Report [CBC-06-2025](#)

## 7) Presentation Questions

Please refer to  
Council Report [CBC-06-2025](#)  
for recommendations and further information